

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Mortgage Broker Practices Act of Washington by:

NO. C-02-372-03-CO01

MORTGAGE LENDING SOURCE, INC., and
MUSTAFA G. KHOSRAW, President and
Designated Broker,

CONSENT ORDER

Respondents.

COMES NOW the Director of the Department of Financial Institutions (Director), through her designee Chuck Cross, Acting Division Director, Division of Consumer Services, and Mortgage Lending Source, Inc. and President and Designated Broker Mustafa (Marc) G. Khosraw (hereinafter collectively as "Respondents"), and finding that the issues raised in the captioned matter may be economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter 19.146 of Revised Code of Washington (RCW), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

AGREEMENT AND ORDER

The Department of Financial Institutions, Division of Consumer Services (Department) and Respondents have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-02-372-03-SC01, entered August 19, 2003, (copy attached hereto). Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act) and RCW 34.05.060 of the Administrative Procedure Act, Respondents hereby agree to the Department's entry of this Consent Order and further agree that the issues raised in the above captioned matter may be economically and efficiently settled by entry of this Consent Order. The parties intend this Consent Order to fully resolve Statement of Charges No. C-02-372-03-SC01, entered August 19, 2003.

1 Based upon the foregoing:

2 A. **Jurisdiction.** It is AGREED that the Department has jurisdiction over the subject matter of the
3 activities discussed herein.

4 B. **Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to a
5 hearing before an administrative law judge, and that they have waived their right to a hearing and any and all
6 administrative and judicial review of the issues raised in this matter, or of the resolution reached herein.

7 C. **Surety Bond.** It is AGREED that Respondents shall make its surety bond alternative (the
8 Certificate of Deposit) whole by taking all necessary steps to bring the principal amount of the Certificate of
9 Deposit to \$20,000 and shall provide the Department with written proof of such action. The "written proof"
10 at a minimum must consist of correspondence from the financial institution confirming: (1) the principal
11 amount of the Certificate of Deposit, (2) the Certificate of Deposit number and that it remains in place, and
12 (3) the Certificate of Deposit is drawn in favor of the Department in an amount equal to the required surety
13 bond in accordance with RCW 19.146.205. [See Statement of Charges page 2, paragraph 6.]

14 D. **Fine.** It is AGREED that Respondents shall pay to the Department a fine of \$4,500.00 upon
15 entry of this order. Entry of this order is the date upon which the order is signed by the Director's designee.

16 E. **Examination/Investigation Fee.** It is AGREED that Respondents shall pay to the Department
17 an examination fee of \$716.70, calculated at \$47.78 per hour for 15 staff hours devoted to the investigation,
18 upon entry of this order.

19 F. **Annual Assessments.** It is AGREED that Respondents shall pay to the Department the
20 cumulative delinquent annual assessments due through June 30, 2003 totaling \$1,544.81 (\$500.00 for the
21 year ended June 30, 2001, \$513.95 for the year ended June 30, 2002, and \$530.86 for the year ended June
22 30, 2003), upon entry of this order.
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1 **G. Compliance with Directives.** It is AGREED that Respondents shall comply with directives and
2 requests for information issued by the Department. It is FURTHER AGREED that Respondents shall fully
3 respond to the Resolutions and Requests for Action issued by the Department pertaining to complaint 2873
4 (new database number 2393) and complaint 2551 (new database number 2223) and satisfactorily resolve the
5 issues raised therein. Copies of the Resolutions and Requests for Action are attached hereto. [See Statement
6 of Charges page 3, paragraph 8.]

7 **H. Continuing Education.** It is AGREED that Respondent Khosraw shall satisfactorily complete
8 approved continuing education courses and provide the Department with certificates of completion within
9 sixty (60) days of the entry of this order. [See Statement of Charges page 2, paragraph 4.]

10 **I. State Corporate License.** It is AGREED that Respondents shall immediately rectify the status
11 of the corporate license issued by the Washington State Secretary of State. [See Statement of Charges page
12 2, paragraph 3.]

13 **J. Disclosure of Significant Developments.** It is AGREED that immediately upon entry of this
14 order Respondents shall provide the Department with written notice of its current business address and
15 location of records. It is FURTHER AGREED that Respondents shall notify the Department of any such
16 changes and significant developments in accordance with the statute and rules.

17 **K. Responsibility to Comply with Law.** It is AGREED that it is Respondents' responsibility to
18 comply with the Mortgage Broker Practices Act and the rules adopted thereunder, particularly, the provisions
19 relating to maintaining a surety bond or approved alternative, complying with Department directives,
20 maintaining records, and informing the Department of significant developments, and it is FURTHER
21 AGREED that Respondents, as a licensee, accept this responsibility and agree to fulfill it.
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L. Non-Compliance with Order. It is AGREED that Respondents understand that failure to abide by the terms and conditions of this Consent Order may result in further legal action by the Director. In the event of such legal action, Respondents may be responsible to reimburse the Director for the cost incurred in pursuing such action, including but not limited to, attorney fees.

M. Authority to Execute Order. It is AGREED that the undersigned have represented and warranted that they have the full power and right to execute this Consent Order on behalf of the parties represented.

N. **Voluntarily Entered.** It is AGREED that the undersigned Respondents have voluntarily entered into this Consent Order, which is effective when signed by the Director's designee.

O. **Completely Read, Understood, and Agreed.** It is AGREED that Respondents have read this Consent Order in its entirety and fully understand and agree to all of the same.

RESPONDENTS:

Mortgage Lending Source, Inc.

By:

/S/
Mustafa (Marc) G. Khosraw President and Designated Broker

____/1/26/04/____
Date

_____/S/_____
Mustafa (Marc) G. Khosraw, Individually

_____/1/26/04/_____
Date

THIS ORDER ENTERED THIS 19 DAY OF March, 2004.

/S/ _____
 Chuck Cross, Acting Division Director
 Division of Consumer Services
 Department of Financial Institutions

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APPLICATION FOR HEARING –
MUSTAFA G. KHOSRAW

DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
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Olympia, WA 98504-1200
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